

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

HB 74 - SB 17

February 17, 2009

SUMMARY OF BILL: Revises the qualifications for insurance companies who are issuers of surety bonds which are used as collateral by state depositories to secure certain state funds.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures – Not Significant

Assumptions:

- According to the Comptroller of the Treasury, Kansas Bankers Surety is the only qualified provider under current statute. However, this firm has given notice that it is no longer participating in this business sector. As a result, there are no qualified and willing providers under current statute.
- According to the Comptroller of the Treasury, this bill expands the guidelines for becoming a surety bond issuer. As a result, it is believed that at least two new issuers will become eligible to participate under the guidelines proposed in this bill.
- According to the Comptroller of the Treasury, any related costs would be borne by the bank depositories exclusively. As a result, any increase to state expenditures is considered not significant.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White".

James W. White, Executive Director

/rnc